

INDUSTRY CIRCULAR

OFFICE OF THE COMMISSIONER OF INTERNAL REVENUE
ALCOHOL AND TOBACCO TAX DIVISION



WASHINGTON 25, D. C.

Industry Circular No. 62-33

October 26, 1962

NEED FOR REVIEW OF APPROVED FORMULAS COVERING DISTILLED SPIRITS PRODUCTS.

Proprietors of Distilled Spirits Plants
and Bonded Wine Cellars; Non-beverage
Drawback Establishments, and others
concerned:

Purpose. The purpose of this Circular is to remind proprietors of distilled spirits plants and bonded wine cellars of their responsibilities for seeing to it that the various extracts, essences, oils, blending agents and adjuncts, etc., used in their production of distilled spirits and wine products, are not prohibited for use in food products by the Food and Drug Administration; and that their products, when labeled, conform to the labeling requirements of the Federal Alcohol Administration Act.

Proprietor's Examination of Approved Formulas:

Proprietors of distilled spirits plants engaged in the rectification and bottling of distilled spirits products, and proprietors of bonded wine cellars engaged in the production of special natural wines, are urged to carefully examine all of their previously approved formulas (on 27-B Supplemental or 698 Supplemental, as the case may be) to assure themselves that none of the ingredients employed in their processes for coloring or flavoring purposes, or as blending adjuncts, are prohibited for use in food products under laws and regulations administered by the Food and Drug Administration of the Department of Health, Education and Welfare. In doing so, proprietors may wish to communicate with their suppliers of extracts, essences, oils, colors, or blending adjuncts, etc., and obtain assurances that these materials are properly described as "natural" or "imitation" (as the case may be) and contain no ingredients proscribed under regulations issued by the Food and Drug Administration.

If an existing formula (on 27-B or 698 Supplemental) is found deficient in adequately identifying the source and the nature of the flavoring, coloring, or blending adjuncts contained therein, the proprietor of the distilled spirits plant, or the bonded wine cellar, should submit a new superseding formula (or a rider to the existing formula), for approval, for the purpose of clearly identifying each

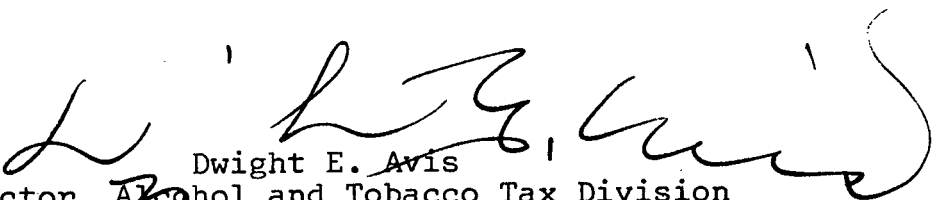
ingredient by name and, if purchased, by the name of the extract manufacturer and the number of the manufacturer's approval formula for drawback of tax (care should be exercised not to identify the ingredient by the manufacturer's catalogue number). In addition, the proprietor of the distilled spirits plant, or bonded wine cellar, should state whether each such ingredient is "natural" or "imitation".

Approval of Formulas and Labels no waiver of other Federal Laws:

Proprietors are warned (1) that the approval of formulas by the Internal Revenue Service, under the provisions of the Internal Revenue Code and regulations, does not authorize the use of materials or ingredients prohibited by other Federal laws or regulations; (2) that the issuance of certificates of label approval under the Federal Alcohol Administration Act, authorizing the use of labels on products made in accordance with such approved formulas, does not waive their responsibilities to observe the laws and regulations administered by the Food and Drug Administration; and (3) that they should be prepared to submit proof that all ingredients in their products are acceptable under the Federal Food and Drug regulations and regulations issued under the Federal Alcohol Administration Act.

Inquiries. Inquiries in connection with this Industry Circular should be addressed to the Director, Alcohol and Tobacco Tax Division, Internal Revenue Service, Washington 25, D. C., Attention: CP:AT:P, if in relation to formulas; or Attention: CP:AT:B, if in relation to certificates of label approval.

In any such inquiries relating to the use of materials on which drawback of internal revenue tax has been claimed by the manufacturer, reference should be made to the number of the approved formula of the extract manufacturer and not to the manufacturer's catalogue number of the product.


Dwight E. Avis
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